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STARLITE

STARLIGHT INTERNATIONAL HOLDINGS LIMITED

升岡國際有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 485)

DISCLOSEABLE AND CONNECTED TRANSACTION: ACQUISITION OF 20% EQUITY INTERESTS IN A SUBSIDIARY

On 25 September 2008, the Group entered into the Transfer Documents with each of the Vendors in relation to the acquisition of the Sale Shares for an aggregate cash consideration of HK\$1,600,000, which had been fully paid by cash upon entering into the Transfer Documents.

The Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules as the relevant percentage ratios exceed 5% but less than 25%. As the Acquisition involves the transfer of shares from the Vendors, one of them is entitled to exercise or control 15% of the voting power at the general meeting of the Target Company; the Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Since the consideration does not exceed HK\$10,000,000, the Acquisition is only subject to reporting and announcement requirements set out in Rules 14A.45 to 14A.47 and is exempted from the independent Shareholders' approval requirements.

A circular containing, among other things, further information in respect of the Acquisition, will be despatched to the Shareholders in accordance with the Listing Rules as soon as practicable.

TRANSFER DOCUMENTS

On 25 September 2008, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Transfer Documents with each of the Vendors in relation to the acquisition of an aggregate of 20% equity interests of Target Company for an aggregate cash consideration of HK\$1,600,000.

To the best of the Directors' knowledge, information and belief having made reasonable enquiry, except for Mr. Lin Chi Chuen, who is entitled to exercise 15% of the voting power at the general meeting of the Target Company, being a connected person, each of the Vendors are third parties independent of and not connected with the Company and its connected persons.

Asset to be acquired:

Pursuant to the Transfer Documents, the Vendors agreed to sell and the Purchaser agreed to acquire the Sale Shares.

Consideration:

The consideration for the Sale Shares is HK\$1,600,000, which had been fully paid by cash upon entering into the Transfer Documents.

The consideration for the Sale Shares was arrived at after arm's length negotiations between the parties to the Transfer Documents after having taken into account the built goodwill of the Target Company and the consideration represents a discount of HK\$5.7 million of the attributable net value of the Target Company at 31 March 2008 and 0.92 times of the five years average net profit figures for the years ended 31 March 2004 to 31 March 2008 of the Target Company. After considering the discount of the consideration in compare with the attributable net value and the profits of the Target Company, and also taking into account the high profit margin of the Target Company and its ability to provide the stable income stream to the Group, the Directors (including the independent non-executive Directors) consider that as acquiring the remaining 20% of the Target Company at a discount of 5.7 millions is a commercial viable term between the Vendors and the Group. Taking into account of the past profitable results of the Target Company, instead of buying the Target Company at a premium, the Purchaser received a 5.7 millions discount, therefore it is definitely a bargaining deal in the interests of the Company and the Shareholders as a whole. Mr. Lin Chi Chuen, interested in 15% equity interests of the Target Company first acquire the said interest at a price of HK\$1.00 per share, i.e. in aggregated HK\$600,000 for 600,000 shares of the Target Company. The consideration has been financed by the internal resources of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Transfer Documents and the consideration for the Sale Shares are fair and reasonable in normal commercial terms and in the interests of the Company and the Shareholders as a whole.

REASONS FOR THE ACQUISITION

The Group is principally engaged in design, manufacture and sale of a wide range of electronic products and securities trading. The Target Company is principally engaging in manufacture and sale of plastic products, which was originally owned as to 80% by the Group and as to 1% by Mr. Choi Chi Mo, 1% by Mr. Leung Ming Fai, 3% by Mr. Ng Yau Shun and 15% by Mr. Lin Chi Chuen. After the Acquisition, the Target Company is wholly owned by the Group and its financial results will continuously be consolidated into the financial statements of the Group.

According to the audited financial statements of the Target Company, profit before taxation and net profit after taxation for the financial year ended 31 March 2008 were approximately HK\$28,326,491 and HK\$23,796,624 respectively and the profit before taxation and net profit after taxation for the financial year ended 31 March 2007 were approximately HK\$560,250 and HK\$560,250 respectively. The net assets value of the Target Company for the year ended 31 March 2008 was HK\$36,376,800.

The Board considers that the acquisitions of the Sale Shares will improve the management control over the Target Company and taking into account the Target Company is profit making throughout the year, the Acquisition is fair and reasonable in normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Management discussion and analysis of the Target Company

For the financial year ended 31 March 2008, the profit of the Target Company improved significantly as the Group has started the production of the Disney™ series of products which gave a higher profit margin and as the Target Company is responsible for the supply of plastic components for the Disney™ line of products, its profit increased satisfactory for the year ended 31 March 2008 and the management believed the Target Company will still give a stable income stream to the Group for the year ending 31 March 2009.

GENERAL

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DEFINITIONS

The following expressions have the following meanings in this announcement.

“Acquisition”	the acquisition of the Sale Shares subject to and upon the terms of the Transfer Documents
“Board”	the board of Directors
“Company”	Starlight International Holdings Limited, a company incorporated in the Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors, including independent non-executive directors, of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Starlight Industrial Holdings Limited, a wholly-owned subsidiary of the Company
“Sale Shares”	being 800,000 shares of HK\$1.00 each in the capital of the Target Company, representing 20% equity interests of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.40 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Success Base Industries Limited (恆敏實業有限公司), a non-wholly owned subsidiary of the Company

“Transfer Documents” the instruments of transfer and bought/sold notes dated 25 September 2008 and entered into between the Purchaser and each of the Vendors

“Vendors” namely, Choi Chi Mo, Leung Ming Fai, Ng Yau Shun and Lin Chi Chuen

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board
Lau Sak Hong, Philip
Director

Hong Kong, 30 September 2008

* *for identification purpose only*

As at the date of this announcement, Mr. Lau Sak Hong, Philip, Mr. Lau Sak Kai, Anthony and Mr. Lau Sak Yuk, Andy are executive Directors. Mr. Hon Sheung Tin, Peter is the non-executive Director and Mr. Ho Hau Chong, Norman, Mr. Chan Chak Chung and Mr. Chuck Winston Calptor are independent non-executive Directors.